

<b>EMPLOYMENT AND TRAINING ADMINISTRATION</b> <b>ADVISORY SYSTEM</b> <b>U.S. DEPARTMENT OF LABOR</b> <b>Washington, D.C. 20210</b>	<b>CLASSIFICATION</b>
	OWI
	<b>CORRESPONDENCE SYMBOL</b>
	OWI
	<b>DATE</b>
	April 24, 2012

**ADVISORY:** TRAINING AND EMPLOYMENT GUIDANCE LETTER NO. 25-11

**TO:** STATE WORKFORCE AGENCIES  
STATE WORKFORCE LIAISONS

**FROM:** JANE OATES  
Assistant Secretary

*Jane Oates*

**SUBJECT:** Reallotment of Workforce Investment Act (WIA) Title I Formula-Allotted Funds for Dislocated Worker Activities

1. **Purpose.** To provide adjusted funding levels for Program Year (PY) 2011 allotments for the Dislocated Worker program under WIA Title I Section 132(c) on recapture and reallotment.

2. **References.**

- Full-Year Continuing Appropriations Act, 2011, Division B, Title I and Title VIII, P.L. 112-10 (Fiscal Year (FY) 2011 Appropriations Act);
- Training and Employment Guidance Letter (TEGL) 26-10, *Workforce Investment Act (WIA) Adult, Dislocated Worker and Youth Activities Program Allotments for Program Year (PY) 2011; Final PY 2011 Allotments for the Wagner-Peyser Act Employment Service Program; and Workforce Information Grants to States Allotments for PY 2011;*
- Workforce Investment Act Section 132(c), P.L. 105-220, 29 U.S.C. 2862(c); and
- Secretary's Reallotment Procedures, 20 CFR 667.150.

3. **Background.** In the FY 2011 Appropriations Act, Congress appropriated WIA PY 2011 funds in two portions: 1) funds available for obligation July 1, 2011 (i.e., PY 2011 "base" funds), and 2) funds available for obligation October 1, 2011 (i.e., FY 2012 "advance" funds). Together, these two portions comprise the complete PY 2011 WIA allotment. TEGL 26-10 announced WIA allotments based on this appropriation and alerted states to the recapture and reallotment of funds' provisions, as required under WIA Section 132(c). Under this section of WIA, the Secretary of Labor (Secretary) is required to conduct reallotment of excess unobligated WIA Adult, Youth, and Dislocated Worker formula funds based on state financial reports submitted at the end of the prior program year (i.e., PY 2010).

<b>RESCISSIONS</b>	<b>EXPIRATION DATE</b>
None	Continuing

The procedures the Secretary uses for recapture and reallocation of funds are described in the WIA regulations at 20 CFR 667.150. We will not recapture any PY 2011 funds for Adult and Youth programs because there are not any cases where PY 2010 unobligated funds exceed the statutory requirements of 20 percent of state allotted funds. For the Dislocated Worker program, however, there was one state that had unobligated PY 2010 funds in excess of 20 percent. Therefore, a total of \$251,529 will be recaptured from PY 2011 funding from this one state and reallocated to the remaining states, as required by WIA Section 132(c).

4. **Notice of Obligation Adjustment.** Notices of Obligation and Deobligation for the states will be issued to reflect the recapture and reallocation of these funds. The adjustment of funds will be made to the FY 2012 advance portion of the PY 2011 allotments, which were issued in October 2011. Attached are tables displaying the net changes to PY 2011 formula allotments and a description of the reallocation methodology.
5. **Procedures and Reporting.** Neither WIA statutory language, nor WIA regulatory language provides specific requirements by which states must distribute recaptured funds among states and local areas, so states have flexibility to determine the methodology to be used.

For any state from which funds are being recaptured, WIA Section 132(c)(5) requires the governor to prescribe equitable procedures for reacquiring funds from the state and local areas.

As mentioned in Section 4 of this TEG, the recapture/reallocation will apply to the FY 2012 advance portion of the PY 2011 allotment. Therefore, for reporting purposes, the recapture/reallocation amount must be reflected (decrease or increase) in the "Total Federal Funds Authorized" line of any affected FY 2012 WIA 9130 Financial Status Reports (State Dislocated Worker Activities, Statewide Rapid Response, Local Dislocated Worker Activities) in a manner consistent with the method of distribution of these amounts to state and local areas used by the state. An explanation of the adjustment should be included in the remarks section of the adjusted reports.

6. **Action Requested.** This guidance letter should be distributed to the appropriate WIA staff.
7. **Inquiries.** Questions regarding the revised allotments should be directed to the appropriate regional office.
8. **Attachment.**
  - A. WIA Dislocated Worker Activities, PY 2011 Reallocation to States
  - B. WIA Dislocated Worker Activities, PY 2011 Revised Allotments with Reallocation
  - C. Dislocated Worker State Formula, PY 2011 Reallocation Methodology



U.S. DEPARTMENT OF LABOR  
Employment and Training Administration  
WIA Dislocated Worker Activities  
PY 2011 Reallotment to States

	Excess Unobligated PY 2010 Funds for Recapture in PY 2011	PY 2010 * Dislocated Worker Allotments for Eligible States	PY 2011 Reallotment Amount for Eligible States	Total PY 2011 Allotments	Total Adjustment to PY 2011 (Recapture/ Reallotment)	Revised Total PY 2011 Allotments
Alabama	0	17,648,171	3,770	16,103,978	3,770	16,107,748
Alaska	0	2,185,129	467	1,801,832	467	1,802,299
Arizona **	0	22,761,022	4,862	21,958,487	4,862	21,963,349
Arkansas	0	6,859,643	1,465	6,525,077	1,465	6,526,542
California	0	192,209,289	41,056	170,043,518	41,056	170,084,574
Colorado	0	14,493,167	3,096	13,947,918	3,096	13,951,014
Connecticut	0	11,838,447	2,529	12,099,340	2,529	12,101,869
Delaware	0	2,775,581	593	2,523,025	593	2,523,618
District of Columbia	0	2,987,462	638	2,588,817	638	2,589,455
Florida	0	82,926,540	17,713	81,146,334	17,713	81,164,047
Georgia	0	40,868,318	8,730	35,448,102	8,730	35,456,832
Hawaii	0	3,264,115	697	2,535,324	697	2,536,021
Idaho	0	4,531,232	968	4,234,037	968	4,235,005
Illinois	0	54,617,380	11,666	52,311,422	11,666	52,323,088
Indiana	0	27,227,011	5,816	22,936,088	5,816	22,941,904
Iowa	0	5,881,598	1,256	6,212,899	1,256	6,214,155
Kansas	0	6,847,260	1,463	5,771,477	1,463	5,772,940
Kentucky	0	18,069,138	3,860	14,962,447	3,860	14,966,307
Louisiana	0	9,801,581	2,094	8,755,097	2,094	8,757,191
Maine	251,529	0	0	3,593,738	(251,529)	3,342,209
Maryland	0	15,524,552	3,316	14,280,338	3,316	14,283,654
Massachusetts	0	22,681,107	4,845	21,033,198	4,845	21,038,043
Michigan	0	64,477,068	13,773	51,206,873	13,773	51,220,646
Minnesota	0	18,001,919	3,845	12,869,603	3,845	12,873,448
Mississippi	0	9,857,567	2,106	10,134,604	2,106	10,136,710
Missouri	0	22,199,883	4,742	19,157,714	4,742	19,162,456
Montana	0	2,172,390	464	2,044,172	464	2,044,636
Nebraska	0	2,425,657	518	2,056,541	518	2,057,059
Nevada	0	14,109,081	3,014	14,310,158	3,014	14,313,172
New Hampshire	0	3,178,188	679	2,760,460	679	2,761,139
New Jersey	0	33,036,397	7,057	32,201,066	7,057	32,208,123
New Mexico **	0	4,088,279	873	5,171,897	873	5,172,770
New York	0	65,461,775	13,983	55,804,488	13,983	55,818,471
North Carolina	0	43,990,709	9,397	35,042,869	9,397	35,052,266
North Dakota	0	689,396	147	499,156	147	499,303
Ohio	0	51,555,231	11,012	44,012,508	11,012	44,023,520
Oklahoma	0	6,897,559	1,473	6,906,804	1,473	6,908,277
Oregon	0	20,144,221	4,303	15,054,272	4,303	15,058,575
Pennsylvania	0	39,519,031	8,441	37,914,512	8,441	37,922,953
Puerto Rico	0	17,040,157	3,640	13,675,088	3,640	13,678,728
Rhode Island	0	6,090,021	1,301	5,096,307	1,301	5,097,608
South Carolina	0	23,064,788	4,927	19,157,131	4,927	19,162,058
South Dakota	0	999,261	213	839,629	213	839,842
Tennessee	0	26,900,645	5,746	22,094,179	5,746	22,099,925
Texas	0	61,307,760	13,096	61,926,140	13,096	61,939,236
Utah **	0	4,620,458	987	6,053,827	987	6,054,814
Vermont	0	1,785,950	381	1,242,041	381	1,242,422
Virginia	0	18,450,205	3,941	18,453,304	3,941	18,457,245
Washington	0	24,243,473	5,178	22,238,858	5,178	22,244,036
West Virginia	0	4,545,822	971	4,552,003	971	4,552,974
Wisconsin	0	19,910,847	4,253	17,319,011	4,253	17,323,264
Wyoming	0	785,065	168	1,199,212	168	1,199,380
STATE TOTAL	\$251,529	\$1,177,546,546	\$251,529	\$1,061,806,920	\$0	\$1,061,806,920



U.S. DEPARTMENT OF LABOR  
Employment and Training Administration  
WIA Dislocated Worker Activities  
PY 2011 Revised Allotments with Reallotment

	Total			Available 7/1/11			Available 10/1/11		
	Original	Recapture/ Reallotment	Revised	Original	Recapture/ Reallotment	Revised	Original	Recapture/ Reallotment	Revised
Alabama	16,103,978	3,770	16,107,748	3,085,372	-	3,085,372	13,018,606	3,770	13,022,376
Alaska	1,801,832	467	1,802,299	345,214	-	345,214	1,456,618	467	1,457,085
Arizona *	21,958,487	4,862	21,963,349	4,207,042	-	4,207,042	17,751,445	4,862	17,756,307
Arkansas	6,525,077	1,465	6,526,542	1,250,144	-	1,250,144	5,274,933	1,465	5,276,398
California	170,043,518	41,056	170,084,574	32,578,755	-	32,578,755	137,464,763	41,056	137,505,819
Colorado	13,947,918	3,096	13,951,014	2,672,291	-	2,672,291	11,275,627	3,096	11,278,723
Connecticut	12,099,340	2,529	12,101,869	2,318,121	-	2,318,121	9,781,219	2,529	9,783,748
Delaware	2,523,025	593	2,523,618	483,388	-	483,388	2,039,637	593	2,040,230
District of Columbia	2,588,817	638	2,589,455	495,993	-	495,993	2,092,824	638	2,093,462
Florida	81,146,334	17,713	81,164,047	15,546,882	-	15,546,882	65,599,452	17,713	65,617,165
Georgia	35,448,102	8,730	35,456,832	6,791,526	-	6,791,526	28,656,576	8,730	28,665,306
Hawaii	2,535,324	697	2,536,021	485,744	-	485,744	2,049,580	697	2,050,277
Idaho	4,234,037	968	4,235,005	811,202	-	811,202	3,422,835	968	3,423,803
Illinois	52,311,422	11,666	52,323,088	10,022,382	-	10,022,382	42,289,040	11,666	42,300,706
Indiana	22,936,088	5,816	22,941,904	4,394,341	-	4,394,341	18,541,747	5,816	18,547,563
Iowa	6,212,899	1,256	6,214,155	1,190,334	-	1,190,334	5,022,565	1,256	5,023,821
Kansas	5,771,477	1,463	5,772,940	1,105,761	-	1,105,761	4,665,716	1,463	4,667,179
Kentucky	14,962,447	3,860	14,966,307	2,866,666	-	2,866,666	12,095,781	3,860	12,099,641
Louisiana	8,755,097	2,094	8,757,191	1,677,395	-	1,677,395	7,077,702	2,094	7,079,796
Maine	3,593,738	(251,529)	3,342,209	688,527	-	688,527	2,905,211	(251,529)	2,653,682
Maryland	14,280,338	3,316	14,283,654	2,735,980	-	2,735,980	11,544,358	3,316	11,547,674
Massachusetts	21,033,198	4,845	21,038,043	4,029,765	-	4,029,765	17,003,433	4,845	17,008,278
Michigan	51,206,873	13,773	51,220,646	9,810,760	-	9,810,760	41,396,113	13,773	41,409,886
Minnesota	12,869,603	3,845	12,873,448	2,465,696	-	2,465,696	10,403,907	3,845	10,407,752
Mississippi	10,134,604	2,106	10,136,710	1,941,696	-	1,941,696	8,192,908	2,106	8,195,014
Missouri	19,157,714	4,742	19,162,456	3,670,440	-	3,670,440	15,487,274	4,742	15,492,016
Montana	2,044,172	464	2,044,636	391,644	-	391,644	1,652,528	464	1,652,992
Nebraska	2,056,541	518	2,057,059	394,014	-	394,014	1,662,527	518	1,663,045
Nevada	14,310,158	3,014	14,313,172	2,741,693	-	2,741,693	11,568,465	3,014	11,571,479
New Hampshire	2,760,460	679	2,761,139	528,879	-	528,879	2,231,581	679	2,232,260
New Jersey	32,201,066	7,057	32,208,123	6,169,425	-	6,169,425	26,031,641	7,057	26,038,698
New Mexico *	5,171,897	873	5,172,770	990,887	-	990,887	4,181,010	873	4,181,883
New York	55,804,488	13,983	55,818,471	10,691,620	-	10,691,620	45,112,868	13,983	45,126,851
North Carolina	35,042,869	9,397	35,052,266	6,713,887	-	6,713,887	28,328,982	9,397	28,338,379
North Dakota	499,156	147	499,303	95,634	-	95,634	403,522	147	403,669
Ohio	44,012,508	11,012	44,023,520	8,432,387	-	8,432,387	35,580,121	11,012	35,591,133
Oklahoma	6,906,804	1,473	6,908,277	1,323,279	-	1,323,279	5,583,525	1,473	5,584,998
Oregon	15,054,272	4,303	15,058,575	2,884,258	-	2,884,258	12,170,014	4,303	12,174,317
Pennsylvania	37,914,512	8,441	37,922,953	7,264,068	-	7,264,068	30,650,444	8,441	30,658,885
Puerto Rico	13,675,088	3,640	13,678,728	2,620,020	-	2,620,020	11,055,068	3,640	11,058,708
Rhode Island	5,096,307	1,301	5,097,608	976,405	-	976,405	4,119,902	1,301	4,121,203
South Carolina	19,157,131	4,927	19,162,058	3,670,328	-	3,670,328	15,486,803	4,927	15,491,730
South Dakota	839,629	213	839,842	160,865	-	160,865	678,764	213	678,977
Tennessee	22,094,179	5,746	22,099,925	4,233,039	-	4,233,039	17,861,140	5,746	17,866,886
Texas	61,926,140	13,096	61,939,236	11,864,472	-	11,864,472	50,061,668	13,096	50,074,764
Utah*	6,053,827	987	6,054,814	1,159,857	-	1,159,857	4,893,970	987	4,894,957
Vermont	1,242,041	381	1,242,422	237,963	-	237,963	1,004,078	381	1,004,459
Virginia	18,453,304	3,941	18,457,245	3,535,481	-	3,535,481	14,917,823	3,941	14,921,764
Washington	22,238,858	5,178	22,244,036	4,260,758	-	4,260,758	17,978,100	5,178	17,983,278
West Virginia	4,552,003	971	4,552,974	872,121	-	872,121	3,679,882	971	3,680,853
Wisconsin	17,319,011	4,253	17,323,264	3,318,161	-	3,318,161	14,000,850	4,253	14,005,103
Wyoming	1,199,212	168	1,199,380	229,758	-	229,758	969,454	168	969,622
STATE TOTAL	1,061,806,920	(0)	1,061,806,920	203,432,320	-	203,432,320	858,374,600	(0)	858,374,600

\* Includes funds allocated to the Navajo Nation

03/01/12



**Dislocated Worker (DW) State Formula  
Program Year (PY) 2011 Reallotment Methodology**

**Reallotment Summary:**

This year the Employment and Training Administration (ETA) analyzed State Workforce Investment Act (WIA) Dislocated Worker 9130 financial reports from June 30, 2011 reporting period for PY 2010 to determine if any state had unobligated funds in excess of 20 percent of their PY 2010 allotment amount. If so, that amount will be recaptured from PY 2011 funds and reallotted among eligible states.

**Source Data:** State WIA 9130 financial status reports  
**Programs:** State Dislocated Worker  
                   State Rapid Response  
                   Local Dislocated Worker (includes local administration)  
**Period:** June 30, 2011  
**Years covered:** PY 2010 and FY 2011

**Reallotment Calculation Process:**

- (1) *Determine the unobligated balance:* In order to accomplish this, ETA computes the state's total amount of PY 2010 state obligations (including Fiscal Year (FY) 2011 funds) for the DW program. State obligations are the sum of DW statewide activities obligations, Rapid Response obligations, and 100 percent of local DW program funds (which includes funds for local administration). The state's total unobligated balance for the DW program is the 2010 DW allotment amount (adjusted for recapture/reallotment and statutory formula-based rescissions) minus the total DW obligations. (Note: for reallotment purposes, DW allotted funds transferred to the Navajo Nation are added back to Arizona, New Mexico, and Utah local DW authorized amounts).
- (2) *Excluding state administrative costs:* Section 667.150 of the regulations provides that the recapture calculations exclude the reserve for state administration which is part of the DW statewide activities. Data on state administrative amounts authorized and obligated are not reported on WIA 9130 financial reports. In the preliminary calculation to determine states potentially liable for recapture, the DW portion of the state administrative amount authorized is estimated by calculating the five percent maximum amount for state DW administrative costs using the DW state allotment amounts (adjusted for recapture/reallotment and statutory formula-based rescissions). For the DW portion of the state administrative amount obligated, 100 percent of the estimated authorized amount is treated as obligated.
- (3) *Follow-up with states potentially liable for recapture:* ETA requests that those states potentially liable for recapture provide additional data on state administrative amounts included in the PY 2010 and FY 2011 statewide activities amounts (authorized and obligated as of June 30, 2011). If a state provides actual state DW administrative costs,

authorized and obligated, in the comments section of revised 9130 reports, this data replaces the estimates. Based on the requested additional actual data submitted by potentially liable states on revised reports, the DW total allotment for these states is reduced by the DW portion of the state administrative amount authorized. Likewise, the DW total obligations for these states are reduced by the DW portion of the obligated state administrative funding.

- (4) Those states (including those adjusted by actual state administrative data) with *unobligated balances* exceeding 20 percent of the combined PY 2010/FY 2011 DW *allotment amount* (adjusted for recapture/reallotment and statutory formula-based rescissions) will have their PY 2011 DW funding (from the FY 2012 portion) reduced (recaptured) by the amount of the excess.
- (5) Finally, states with unobligated balances which do *not* exceed 20 percent (eligible states) will receive a share of the total recaptured amount (based on their share of the total PY 2010/FY 2011 DW allotments of eligible states) in their PY 2011 DW funding (the FY 2012 portion).